

declared, Admiral Holmes was sent out with orders to capture the Dutch Smyrna fleet, which was on its way home laden with rich products of the East. But the merchant fleet was strongly guarded by six men-of-war and the English were ignominiously beaten off in their attack. A few days after this disgraceful affair, war was declared. A fierce naval engagement followed in **Southwold Bay**, in which the Dutch had the advantage. The fight continued a whole day. So desperate was the struggle that the Duke of York, who was in command, was compelled to transfer his flag from two different ships, which were sinking, to a third; while the gallant Earl of Sandwich, one of his commanders, refused to leave the burning *Royal James*, and so perished in the flames.

Meanwhile, Louis had thrown a powerful army over the northern border, which overran the Spanish Netherlands and invaded Holland. Amsterdam was only saved by a patriotism truly heroic. The Dutch opened their dykes, and laid the whole country under water. Louis was unable to provide subsistence for his army, and so he was compelled to retreat, and Holland was saved. But the national disgrace so incensed the Dutch, that they rose in fury against their Government. **De Ruyter** was insulted and the two brothers **De Witt**, the leaders of the Republican party, barbarously murdered. The office of Stadtholder was revived and given to **William**, son of Mary, daughter of Charles I., who, with a resoluteness of purpose, was determined to make a bold stand to save his country. He scornfully rejected the terms offered by England and France. "*Do you not see that your country is lost?*" asked Buckingham, who had been sent to urge him to submit. "*There is a sure way never to see it lost,*" replied William, "*and that is to die in the last ditch.*"

NOTE.—The Stop of the Exchequer. To raise money for the war, Charles, acting on the advice of Clifford, resorted to a device known as "*The Stop of the Exchequer.*" It was customary for goldsmiths and bankers to advance the money deposited with them by private persons to the Government on the security of the revenue, and at the present moment, the Exchequer was in debt to the amount of £1,300,000. Charles issued a proclamation ordering all payments from the Exchequer to be stopped. The result was that "a commercial panic ensued, trade became stagnant, and many widows and orphans ruined."